

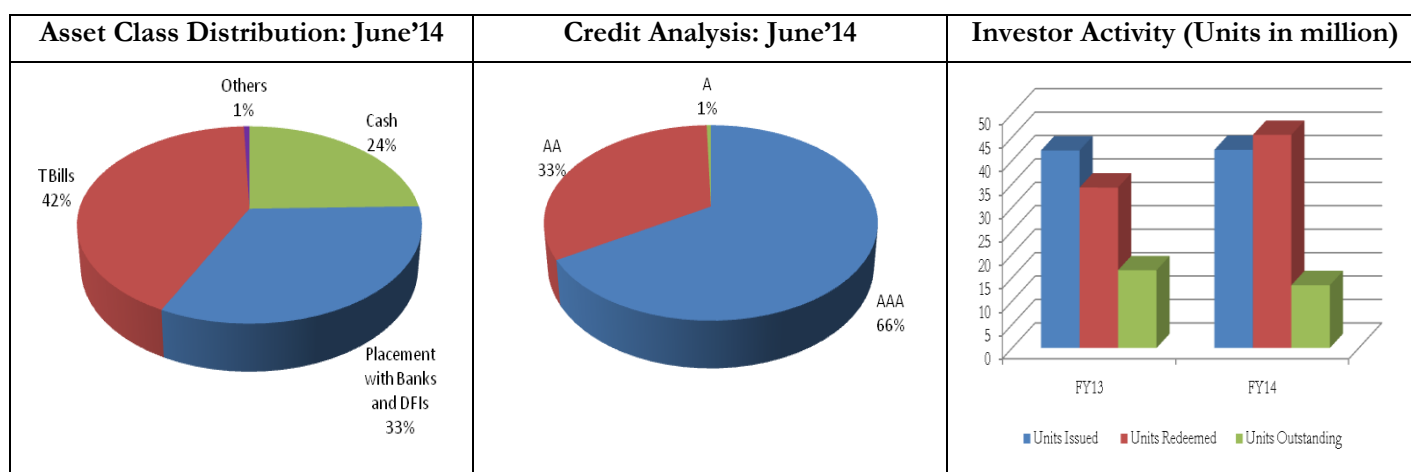
September 22, 2014

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Investment Objective

The objective of the fund is to provide a reasonable rate of return and maintain high liquidity by investing primarily in low risk and short duration instruments.

JS Cash Fund		
Rating Category	Latest	Previous
	AA+(f)	AA+(f)
Fund Stability Rating	September 11, 2014	May 13, 2013
Management Company	JS Investments Limited	
External Auditor - Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co.	
Chief Executive Officer	Dr. Ali Akhtar Ali	
Fund Manager	Mr. Asim Ilyas	
Trustee	MCB Financial Services Ltd.	
Front-end Load	1%	
Back-end Load	Nil	
Management Fee	0.5% p.a.	
Benchmark	50/50 composition of: - avg. 3-months T-bills rate - avg. 3m deposit return of comm. banks with at least AA	



JS Cash Fund (JS-CF) was launched as an open-end money market scheme on March 29, 2010. The fund invests in low risk short term money market instruments while maintaining a high level of liquidity. Net assets of the fund depicted a declining trend to Rs. 1.4b (FY13: Rs. 1.7b; FY12: Rs. 1.8b) by end-FY14. The decrease was mainly on account of redemptions during the last quarter of FY14.

The offering document lays down the broad investment policy, in line with the regulations applicable to money market funds, that is designed to ensure minimum exposure to various sources of risks. Accordingly, all issue/issuer exposures are subject minimum rating of 'AA'. Within this

framework, the management aims to hold a minimum of 70% of its assets in government securities.

Table 1: Exposure Limits (% of Net Assets)

Instruments	Rating	Limit ¹	Target
Govt. securities		0-100%	70-100%
TDRs	AA	0-80%	} 0-10%
Placements	AA	0-50%	
CoDs/CoMs	AAA	0-20%	
Reverse Repo	AA	0-50%	
Commercial paper	AA	0-30%	} Average 5%
Current & saving accounts-daily balance	AA	0-100%	

¹ As laid down in Offering Document

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During FY14, around 3/4th of total assets remained invested in T-bills, as per month end average. This was slightly lower than the preceding year. Remaining assets were held as bank deposits.

Table 2: Asset Allocation of JS-CF (% of Total Assets)

	Average FY14	Average FY13	Jun'14	Jun'13	Jun'12
Cash	9%	11%	25%	1%	8%
Placements	15%	5%	33%	15%	0%
T-Bills	76%	81%	42%	84%	92%
Others	<1%	2%	<1%	<1%	<1%

To minimize losses in case of any adverse movement in discount rate, the fund's weighted average maturity (WAM) has been capped at 60 days. Moreover, the fund may only invest in instruments having maximum maturity of 6 months. Target duration of the fund is also defined as 60 days. Barring one month, JS-CF remained compliant with the aforesaid stipulation throughout the year; in May 2014, WAM of the fund was slightly above the limit at 64 days.

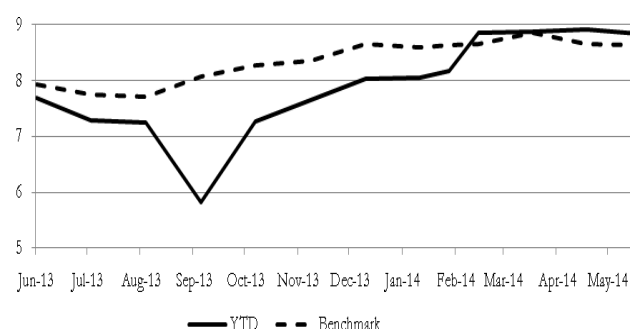
Benchmark of the fund is equal weighted average of 3 month deposit rate of 'AA' & above rated commercial banks and 3 months T-bill rate.

Table 3: Performance Summary of JS-CF

	FY14	FY13	FY12
Return	8.21%	9.11%	11.62%
Benchmark*	8.73%	8.98%	10.09%
Peer Max.	8.92%	9.58%	11.76%
Peer Avg.	8.22%	9.13%	11.30%

*50% 3M deposit rate of AA rated or above banks and 50% 3M T-bill rate

In line with lower average interest rates in FY14, return of the fund continued its downward trajectory. The fund posted net return in line with peer average in FY14. Adjusting for management fee and FED expense, gross return ranking of the fund was on the lower side vis-à-vis peers.

Figure 1: Monthly Returns of JS-CF


Total number of investors in the fund declined to 171 (FY13: 185) by end-FY14; proportion of units held by retail investors was only 14% (FY13: 12%; FY12: 10%). While unit-holder profile features significant concentration, with top 10 investors holding 76% of outstanding units, the fund is expected to be able to meet redemptions in a timely manner given its asset mix JCR-VIS

JCR-VIS Credit Rating Company Limited

Technical Partner – IIRA, Bahrain | JV Partner – CRISL, Bangladesh

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
11-Sep-14	AA+(f)	Stable		Reaffirmed
13-May-13	AA+(f)	Stable		Reaffirmed
30-Mar-12	AA+(f)	Stable		Reaffirmed
08-Oct-10	AA+(f)	Stable		Initial